# A ‘brooding oppressive shadow’? The Labour alliance, the ‘trade union question’ and the trajectory of revisionist social democracy, c. 1969-1975


## Abstract

Conventional accounts of the decision of a group of influential British Labour MPs to leave the party in 1981 to found the new Social Democratic Party (SDP) focus on more immediate intra-party constitutional reforms after 1979, or on party divisions over the single question of Britain’s membership of the European Economic Community (EEC). This article suggests that a wider array of longer-term factors informed the decision to seek an alternative vehicle of social democracy, particularly the critical response to the so-called ‘trade union question’ in British and Labour politics from the late 1960s. It identifies the centrality and cumulative role of a new ‘post-revisionist’ social democratic critique of the privileged position and influence of an increasingly assertive (left-wing) trade unionism after the failure of Labour’s *In Place of Strife* legislation in 1969 in the later schism of British social democracy.



**Keywords**: Labour Party; trade unions; revisionist social democracy; Social Democratic Party (SDP)

## Introduction

> Social democratic policies…must be backed by a renewed emphasis on parliamentary democracy and debate. The current drift to government by sit-in, confrontation and defiance of the law only aids those with special positions of power in the community and is utterly at variance with the social democratic belief that priority goes to those with a just case established by open debate and the process of representative government. As part of this, the Labour Party should try to eliminate any position of special power accorded to pressure groups within its own constitution and should give each citizen who joins the Labour Party an equal chance of influencing its policies.[1]

This article examines differential attitudes and responses to issues of industrial relations and trade union reform in the Labour Party in a tumultuous and transformative period for British social democracy. Particularly, it attempts to establish the extent to which the so-called 'trade union question' in British politics from the late 1960s formed the crucial back-drop and underlying cause of the subsequent alienation of revisionist social

[1] John P. Mackintosh, 'Socialism or social democracy? The choice for the Labour Party', *Political Quarterly*, 43, 4 (1972), 483-4; also see John P. Mackintosh, 'The case for a realignment of the left', *The Times*, 22 July 1977. Writing on the prospects of the 1977 Lib-Lab pact for a future centre-left realignment of British politics, Mackintosh believed that such a party, freed from the institutional constraints and limitations of the trade unions, 'would be free to press for what it saw as the national interest' and could be 'far more radical on many issues'.

democrats in Labour's ranks, the rupture of British social democracy and the formation of a new Social Democratic Party (SDP) in 1981.[2]

Previous accounts of Labour's social democratic fissure and the origins of the new SDP have tended to reduce explanation to one (or a combination) of two main factors: intra-party divisions created by more immediate party constitutional changes after the 1979 general election defeat, or the dominant single issue of divisions over the merits of Britain's recent accession to the European Economic Community (EEC). Accounts that emphasise only short-term political and policy factors identify the catalyst as critical constitutional changes, which had the cumulative effect of transferring greater power of decision-making to their left-wing and trade union opponents in the party's federal structure, immediately prior to the decision to leave Labour to found the SDP in 1981.[3] Recent work has also explored critical debates and divisions of revisionist social democracy in the Labour Party in the 1960s and 1970s in terms of differential attitudes to British membership of the EEC and its role in the subsequent party split and formation of the SDP.[4] While bitter European divisions served to further marginalise and alienate an

[2] See Lewis Minkin, *The Contentious Alliance: Trade Unions and the Labour Party* (Edinburgh, 1991), 208-9; also see Steve Ludlam, 'Norms and blocks: Trade unions and the Labour party since 1964', in Brian Brivati and Richard Heffernan (eds), *The Labour Party: A Centenary History* (Basingstoke, 2000), 220.

[3] See Ivor Crewe and Anthony King, *SDP: The Birth, Life and Death of the Social Democratic Party* (Oxford, 1995), 28-40, 106-7; Radhika Desai, *Intellectuals and Socialism: 'Social Democrats' and the Labour Party* (London, 1994), 145-152, 162; David Owen, *Time to Declare* (London, 1991), 435-37, 447, 469-71; Hugh Stephenson, *Claret and Chips: The Rise of the SDP* (London, 1982), 49.

[4] Stephen Meredith, 'A catalyst for secession? European divisions on the parliamentary right of the Labour party 1962-72 and the schism of British social democracy', *Historical Research*, 85, 228 (2012), 329-51; also see Desai, *Intellectuals*, 145-152, 162; and see Crewe and King, *SDP*, 106-7, who argue that it was not 'passionate commitment to Europe' that 'bound the SDP defectors together'.

influential group of revisionist social democrats, both explanations neglect the significance of a wider array of factors and the longer-term evolution of the SDP. The emphasis and argument here is not that the trade union issue worked as the discrete principal source of (post-) revisionist social democratic 'dissent' and dissatisfaction with the party, but that the roots of the split reached further back than immediate intra-party constitutional disputes after 1979 and that it was more than a party split over the single policy issue of Europe. Dilemmas of industrial relations and trade union reform were a central part of a wider prospectus of connected themes and developments underlying a strong evolving new social democratic critique of mainstream party management and policy. These included resentment at hostile, inconsistent or ambivalent approaches to their 'article of faith' that was European membership and a growing anxiety over the perceived limits of traditional social democratic political economy in terms of its relative commitment to public spending and wealth creation.[5] In effect, the later split was the culmination of a gradual process of alienation within the wider Labour Party in relation to multiple policy and party management issues, from both the increasingly influential socialist Labour left and the more traditional 'trade union right', for Labour's self-proclaimed 'radical [social democratic] right'.

Broader accounts of the trade union role in British politics and the Labour Party in the 1970s have attempted to stem the 'myth' of all-powerful unrepresentative and undemocratic trade union barons imposing their will on acquiescent governments and a supine party. Robert Taylor, for instance, has identified the drivers of wage planning,

[5] Meredith, 'catalyst'; Stephen Meredith, 'Labour Party revisionism and public expenditure: Divisions of social democratic political economy in the 1970s', *Labour History Review*, 70, 3 (2005), 253-73.

economic development councils and wider corporatist organisation stemming from the state, not the unions, and suggests trade union leaders at the head of unwieldy empires were often subject to the over-ambitious demands of successive governments. Similarly in relation to the Labour Party-trade union link, Lewis Minkin has suggested that, while substantial, trade union power, through a complex set of movement 'rules' and arrangements, was significantly constrained. Ben Jackson further argues that British trade unionism in the 1970s faced the increasingly powerful and hostile ideological counter-attack of neo-liberal and free market critiques – of the 'legal immunities' and 'special privileges' enjoyed by organised labour and the (adverse) economic role played by trade unions in the 'existence of a potent form of free collective bargaining in the British economy' – which looked to 'crystallise the pathologies of British corporatism and to 'deligitimise' the status and power of trade unions.[6]

These expert judgements certainly hold merit in the context of wider debates over the trade union position and role, but what is important here is that new revisionist *perceptions* of apparently 'unrestricted' trade unionism was a primary aspect of a wider on-going critique of traditional social democracy, notably its unreconstructed commitment to high levels of public spending and greater economic equality, which pre-figured the later party split and division of social democracy (and, arguably, the eventual

[6] Robert Taylor, *The Trade Union Question in British Politics: Government and the Unions Since 1945* (Oxford, 1993); Ben Jackson, 'An ideology of class: Neo-liberalism and the trade unions, c. 1930-79', in Clare Griffiths, James Nott and William Whyte (eds), *Classes, Cultures and Politics: Essays for Ross McKibbin* (Oxford, 2011), 263-81; 'Hayek, Hutt and the Trade Unions', in Robert Leeson (ed.), *Hayek: A Collaborative Biography, Part V* (Basingstoke, 2014), 208-28.

emergence of 'New' Labour).[7] The essential argument here is that central to this critique and a principal cause of the split in the Labour Party, the schism of British social democracy and the formation of the SDP in 1981 was the breakdown of consensus in the party over the privileged position and role of trade unionism and the issue of trade union reform itself. It contends that growing rifts over core tenets of the post-war social democratic consensus, not only between left and right and the party and trade unions but *within* Labour's previously cohesive and influential revisionist social democracy, forged the circumstances in which party unity inevitably broke down.

The article develops this argument by examining the differential responses of the 'radical' social democratic Labour right to three inter-linked case studies of key episodes of trade union reform and tests of the Labour party-trade union link between 1969 and 1975: firstly, the Wilson Labour government's abortive attempt to reform the trade unions in *In Place of Strife* in 1969; secondly, the Heath Conservative government's subsequent 1971 Industrial Relations Act and, thirdly, the evolution of Labour's 'social contract' with the trade unions of 1974-5. It further comments on associated developments of an emerging fissure and re-ordering of 'first principles' of 'equality' and

[7] The economic consequences of 'unrestricted' trade union power and collectivism, particularly its contribution to low growth and high inflation, underpinned a broader critique of trade unionism and industrial relations in the context of a growing perception and analysis of relative British (economic) 'decline'. For some, the assertive power and priorities of trade unionism in the 1970s acted as a major obstacle to industrial modernisation and national economic development: National Library of Scotland (NLS), Edinburgh, John P. Mackintosh Papers, 323/8, John P. Mackintosh, 'Britain's malaise: political or economic?', typescript of the 1977 Fawley Lecture, University of Southampton, 23 November 1977; Labour History Archive and Study Centre (LHASC), Manchester, Labour Party Manifesto Group Papers, LP/MANIF/18, Manifesto Group, *What We Must Do: A Democratic Socialist Approach to Britain's Crisis* (London, 1977); Meredith, 'Labour Party', 254, 268; Minkin, *Contentious*, 209–10.

'freedom' within revisionist social democracy in the face of the perceived 'undemocratic' and 'illiberal' aspects of extended trade union power. These will be used to identify attitudes and responses to the thorny issue of the 'trade union question' in British and Labour politics in the 1970s, and to reveal the scale and depth of their disenchantment with the trade union-dominated Labour Party, of the increasingly cohesive faction of 'radical' 'post-revisionist' social democrats known as the 'Jenkinsites' (with reference to their ostensible leader, Roy Jenkins). Consequently, it was the issue of unreformed and collectivist trade union power in the party and the country that was to be the principal cause of the fracture of British social democracy and the Labour Party after Labour's election defeat in 1979.

**Crosland, Labour revisionism and the crisis of social democracy**

Given his seminal contribution to the original revisionist social democratic paradigm, the role and ideas of Anthony Crosland provided an essential reference point for successive generations of Labour revisionists. Crosland's 'revisionism' achieved a degree of consensus on the centre-right of the Labour Party from the 1950s under the political leadership of Hugh Gaitskell. Giles Radice has written that Crosland's thinking 'influenced a whole generation'. This sentiment is echoed by others such as David Marquand, Bill Rodgers and David Owen, who were to form the spine of Labour's post-revisionist response to the limitations of his original analysis in the 1970s.[8] Crosland

[8] Giles Radice, 'Revisionism revisited', *Socialist Commentary*, May 1974, 25; David Marquand, Interview, 16 January 2001; Bill Rodgers, Interview, 18 February 2001; Owen, *Time*, 167; also see Roy Hattersley,

argued that to define socialism purely in terms of ownership was to confuse ends and means. Public ownership was only one, and not necessarily the most effective, *means* among many, including taxation, public/social expenditure and educational reform, which could be used to achieve fundamental socialist objectives. For Crosland, socialism was about 'equality' in its widest sense, requiring major 'egalitarian changes in our educational system, the distribution of property, the distribution of resources in terms of need, social manners and style of life and the location of power in industry'. He believed that the pursuit of these revised socialist objectives could be better achieved through the means of progressive taxation and high levels of public expenditure within the context of consistent economic growth rather than dogmatic doses of public ownership.[9] Crosland's revisionism represented a detailed theoretical analysis of socialism as equality, and a clear programme around which Labour social democracy could cohere.[10]

By the early 1970s there was increasing discomfort among some former disciples that his earlier revisionist analysis and prescriptions had not kept pace with the limited performance of the British economy. The perception was that he failed to substantially readdress these structural limitations or to adapt his analysis to the twin dilemmas of low economic growth and persistent inflation. Crosland's final substantive work largely

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*Choose Freedom: The Future for Democratic Socialism* (London, 1987), xix; David Marquand, *The Progressive Dilemma: From Lloyd George to Blair* (London, 1999), 166-7.

[9] Anthony Crosland, *The Future of Socialism* (London, 1956); also see Anthony Crosland, *The Conservative Enemy: a Program of Radical Reform for the 1960s* (London, 1962); Anthony Crosland, 'The transition from capitalism', in Richard Crossman (ed.), *New Fabian Essays* (London, 1952), 33-68.

[10] Radice, 'Revisionism', 26.

reiterated the theory, priorities and methods of his original analysis.[11] Crosland's revisionist social democracy was founded on an optimistic view of economic growth to underpin a sustained programme of social expenditure and egalitarian redistribution. John Mackintosh, arguably the most likely of Labour's 'post-revisionists' to offer a systematic critique and renewal of Croslandite revisionism for the circumstances of the 1970s had he not died prematurely in 1978, claimed that he had realised by 1976 that 'something had gone wrong with…[Croslandite] assumptions…which I had held at the time of my election in 1966'. He believed that subsequent economic developments had revealed 'the relative failure of his position' and that 'further revisions are now needed'.

It was a view indicative of a wider critique of Crosland's original theoretical position, not just from the 'Marxist' left, but from revisionist social democrats such as Mackintosh and Marquand 'who accepted many of Tony's original assumptions'.[12] Mackintosh revealed a more pessimistic post-revisionist 'declinist' analysis of British economic performance, in which low economic growth and inflationary pressures were much greater problems than the previously optimistic revisionist narrative had

[11] Anthony Crosland, *Socialism Now and Other Essays* (London, 1974), 17-48; Anthony Crosland, *A Social Democratic Britain* (London, 1971); also see Kevin Jefferys, 'The old right', in Raymond Plant, Matt Beech and Kevin Hickson (eds), *The Struggle for Labour's Soul: Understanding Labour's Political Thought Since 1945* (London, 2004), 77-8; Giles Radice, 'What about the workers?', *Socialist Commentary*, February 1971, 6-7; Radice, 'Revisionism', 26.

[12] Mackintosh Papers, 323/54, John Mackintosh to Mrs Audrey Coppard, *The Political Quarterly*, 19 May 1977; Mackintosh to David Marquand, 25 May 1977; Mackintosh to Bernard Crick, 27 May 1977; Marquand to Mackintosh, 15 June 1977; also see John P. Mackintosh, 'Has social democracy failed in Britain', *Political Quarterly*, 49, 3 (1978), 259-70.

predicted.[13] In the context of an economic 'malaise' of minimal growth, high inflation and pervasive trade union activity, and in the face of a nascent post-revisionist economic and increasingly philosophical critique of Croslandite social democracy, Jefferys has claimed that by Labour's return to office in 1974 'Crosland had become almost a one-man champion of egalitarian' social democracy.[14]

Central to the new post-revisionist analysis was the perspective that high levels of taxation and public expenditure in conditions of low growth, allied to the perceived economic and libertarian dangers of unrestricted trade union power and collectivism, would inevitably undermine individual freedoms and the opportunities and benefits of wealth creation that would underpin economic growth.[15] It was a position increasingly identified with an explicitly 'social democrat' or 'left-wing liberal' element of revisionism, whose particular outlook went 'beyond the central issue of wages and equality'. As they 'are interested in individual rights and social justice, they will accept liberal legislation…when much of this is alien to working-class group feeling which thinks of liberty more in terms of what *groups* can do and of what status they have in society'.[16] As such, they believed that Crosland's 'reformist, egalitarian approach' had been 'discredited by the experience of the 1963-77 period', and there was the need to

[13] Mackintosh, 'Britain's malaise', 1.

[14] Jefferys, 'old right', 77.

[15] Mackintosh Papers, 323/117, notes headed 'Finance Bill' with attached list of major wage claims and settlements, 7 April–7 May 1975; John P. Mackintosh, 'Liberty and equality: getting the balance right', in David Marquand (ed.), *John P. Mackintosh on Parliament and Social Democracy* (Harlow, 1982), 182-89.

[16] See John Gyford and Stephen Haseler, *Social Democracy: Beyond Revisionism* (London, 1971); John P. Mackintosh, 'Socialism', 470-5; Mackintosh, 'Britain's malaise', 1-3; Mackintosh, 'Has social democracy', 259-63, 66-70.

further revise and modernise the Croslandite revisionism fostered under Gaitskell. In doing so, they appeared willing to confront 'sacred cows' of Labour's economic and industrial philosophy.

**Labour's industrial relations dilemma: *In Place of Strife*?**

The Labour government's White Paper of January 1969, 'In Place of Strife: A Policy for Industrial Relations', was Labour's attempt to reform trade union status and power by confining industrial relations 'within a framework of law'. It was part of a wider desire to 'modernise Britain's institutions' and to 'humanise the whole administration of the state', not least as a solution to the country's recurrent economic difficulties after Labour returned to power in 1964 (Labour Party, 1964; Ponting, 1990).[17] However, extensive opposition to the bill within the party and the trade unions represented a serious threat to the unity of the party and to the struggling Labour government itself. Many in the Parliamentary Labour Party (PLP), 'viscerally opposed to penal sanctions on trade unions', feared that the continued dispute between the Labour government and the Trade Union Congress (TUC) could only end in electoral disaster.[18]

[17] Labour Party, *The New Britain* (London, 1964); Clive Ponting, *Breach of Promise: Labour in Power 1964-1970* (Harmondsworth, 1990), 257, 350-51.

[18] LHASC, LP/PLP Minutes, 29 January 1969; also Leo Abse, Interview, 20 June 2001; Roy Hattersley, *Who Goes Home? Scenes from a Political Life* (London, 1995), 67-9; Denis Healey, *Time of My Life* (Harmondsworth, 1989), 341, 407; Ponting, *Breach*, 351; Giles Radice, *Friends & Rivals: Crosland, Jenkins and Healey* (London, 2002), 172-3; Richard Tyler, '"Victims of our history"? Barbara Castle and *In Place of Strife*', *Contemporary British History*, 20, 3 (2006), 462.

Increasing strain in the relationship between the government and the trade unions over wage restraint and the generally poor state of British industrial relations, particularly the debilitative level of unofficial strikes and economically detrimental 'restrictive practices', had led to the creation of a Royal Commission on Trade Union and Employers' Associations under the chairmanship of Lord Donovan. Harold Wilson had 'decided on union reform because he had given up hope of making incomes policy work'.[19] The final report of the Donovan Commission in 1968 rejected any idea of a legal framework or state intervention in industrial relations. It recommended purely voluntary reform on the shop floor through improved collective bargaining. The only move towards intervention was the proposal to establish a Commission for Industrial Relations (CIR), which would ultimately be a 'voluntary body to prod the system into self-reform by disseminating ideas about good practice'.[20] The voluntarist features of the Donovan Report were welcomed by some leading figures in the Labour government, such as Callaghan. However, Barbara Castle, the newly appointed Secretary of State for Employment and Productivity, believed that the Donovan recommendations represented a missed opportunity.[21] The central issue was whether Donovan was adequate, given the increasing number of unofficial strikes in key industries and the inflationary pressures of the British economy. It was decided that something more substantial was necessary in the form of a legal framework for trade unions to supplement government prices and incomes policy. The opportunity to outflank the Tories on the issue and a forthcoming general

[19] Healey, *Time*, 341; Giles Radice, *The Industrial Democrats: Trade Unions in an Uncertain World* (London, 1978), 67; Radice, *Friends*, 175.

[20] Kenneth O. Morgan, *Callaghan: A Life* (Oxford, 1997), 330-1; Ponting, *Breach*, 351-2.

[21] Barbara Castle, *Fighting All The Way* (London, 1994), 413-14.

election meant that Wilson offered Castle enthusiastic support in her attempt to reform the context of industrial relations.[22]

The draft White Paper, published at the end of 1968, adopted some of the Donovan themes, but also included proposals for pre-strike ballots in disputes that could threaten the economy or national interest, an enforced conciliation period of twenty-eight days in unofficial disputes and referral of unofficial action arising from inter-union disputes to the TUC, and ultimately the CIR, to impose a settlement, with appropriate financial penalties if the order was breached. The White Paper was presented as a 'charter for tackling the causes of strikes [and]…to tackle these causes in ways which will strengthen the trade union movement's authority'. Rather than advocating greater ministerial intervention in disputes, it wanted 'unions themselves to face up to their responsibilities in preventing unnecessary disputes which can do wanton damage to other members of the community'. Proposals for a 'conciliation pause' aimed to 'ensure that workers do not down tools before they have used the procedure for examining disputes which their own union have negotiated'.[23]

In the hostile Labour and trade union response to Barbara Castle's proposals, and the subsequent divisions of the Labour Cabinet and PLP, their relatively balanced nature

[22] Barbara Castle, *The Castle Diaries 1964-70* (London, 1984), 625; Morgan, *Callaghan*, 331-2; Ben Pimlott, *Harold Wilson* (London, 1992), 528; Ponting, *Breach*, 354.

[23] Cmnd. 3888, *In Place of Strife: A Policy for Industrial Relations*, (London, 1969); LP/PLP Minutes, 'The Prime Minister's Speech to the Parliamentary Labour Party', 17 April 1969; The National Archives: Public Record Office (TNA: PRO), Kew, Cabinet Minutes and Papers, CAB 129/142/9, 'Industrial Relations Bill, Memorandum by the First Secretary of State for Employment and Productivity', 20 May 1969; Morgan, *Callaghan*, 332; Ponting, *Breach*, 352-54; *Tribune*, 7 February 1969.

was overlooked, containing as they did a number of pro-trade union measures in 'a charter of trade union rights'. It was 'grounded in a well-thought-out philosophy of trade union rights and responsibilities' and designed to 'protect and enhance the standing of the trade union movement'.[24] In addition to the 'punitive' paragraphs, it contained proposals for the recognition of trade unions and trade union rights in the workplace, the creation of a development fund, with government support, to encourage and assist in union mergers and measures to combat unfair dismissal by employers. It further rejected ideas that collective bargaining should be legally enforceable and unofficial strikers could be sued for any damages that they incurred.[25] It was the penal aspects of the bill, providing the government with increased powers to limit the scope of trade union and industrial action, which were quickly latched on to and led to intense resentment in the trade union movement and within the party. The catalyst for hostility was the view that for 'the first time since 1927, a government – a Labour government – was proposing to interpose the force of the law into hitherto unfettered collective bargaining'.[26]

However, for a number of Labour's 'radical' revisionist social democrats, who favoured some significant reduction of trade union status and power both within the party and wider political and economic arenas of the country, the hostility and intransigence of the trade unions, supported by the bitter opposition of Labour's left-wing *and* traditional centrist social democrats led by James Callaghan, 'came close to challenging the

[24] LP/PLP Minutes, 29 January 1969; Tyler, '"Victims"', 461-62.

[25] Cmnd. 3888, 9-12, 18-21, 22-4; Peter Jenkins, *The Battle of Downing Street* (London, 1970), 26-43.

[26] Jenkins, *Battle*, 44-74; Minkin, *Contentious*, 114-15; Morgan, *Callaghan*, 333.

government's right to govern' and to 'represent the interests of the wider community'.[27] Their increasing isolation and marginalisation both within the party and from erstwhile revisionist social democratic colleagues in earlier intra-party divisions, with the further thorny and divisive party issue of British membership of the European Economic Community (EEC) still to come, had already been established and battle lines had been drawn.

Although it was not a so-called 'article of faith' for the group of 'radical' revisionist social democrats around Roy Jenkins in the way the European membership question was to be described, one prominent member of the group, Dick Taverne, explained that the later split with his local constituency Labour party (CLP) in Lincoln had 'as much to do with the attitude to the unions as it did with the Common Market'. He explains that 'I was in favour…and they were violently opposed to *In Place of Strife*. The belief was that the unions needed reform and the arguments of the Labour government's legislation were correct. It was an important issue…that and the [left-wing Tony Benn] plan for massive nationalisation…the anti-[Common]Market theme all combined…to say…the Labour Party is going in a direction that I will not support'.[28] Some within the group even believed that, in the longer term, it might have 'saved the unions from themselves' and would not have helped to 'destroy the subsequent [1974-79] Labour government of… Callaghan and…the Labour Party'. A further prominent 'radical' social

[27] *Tribune*, 24 January 1969; Tyler, '"Victims"', 461, 474; also see Ponting, *Breach*, 354; Radice, *Friends*, 173-74.

[28] Dick Taverne, Interview, 18 January 2001; Dick Taverne, *The Future of the Left: Lincoln and After* (London, 1974), 42-43

democrat in favour of reform, Shirley Williams, has said that Labour and trade union opposition to its own government's industrial relations legislation managed only to produce the 'situation in which Mrs Thatcher was able to come in on the back of trade union abuses in the 1970s and essentially get rid of much trade union power, and that there was an awful lot of support for her among the public and some in the Labour movement who had not had the guts to do what she did'.[29] Arguably, it might also have worked to prevent the subsequent rupture of British social democracy and formal split in the Labour Party after 1979 which led, indirectly at least, to eighteen years out of government until the election of Tony Blair's much reformed 'New' Labour Party in 1997.

More immediately, it produced the effect of unlocking emerging ideological and political fissures of post-war Labour revisionist social democracy, which later intensified in the divisive European membership issue in opposition after 1970.[30] Prior to the catalytic European membership debates and divisions in the party, differential responses to the Labour government's attempt at industrial relations and trade union reform in *In Place of Strife* signalled the shift away from post-war revisionist social democracy of some of its former leading advocates such as Anthony Crosland.[31] Equally, it indicated

[29] Shirley Williams, Interview, 25 June 2002; also Bill Rodgers, Interview; Phillip Whitehead, Interview, 20 January 2001.

[30] Meredith, 'catalyst'.

[31] Former leading revisionist figures now appeared to be at loggerheads over a critical theme of party management and governing strategy. Crosland, for instance, was sceptical of the timing of the proposed reform. He was also concerned that the proposed penal clauses would be ineffective and unofficial strikes would continue to grow, proposing instead the Donovan recommendation that the CIR be awarded powers in relation to unofficial strikes : British Library of Political and Economic Science (BLPES), London,

the emergence of a new identifiable strand and group of 'radical' post-revisionist social democrats under the new revisionist leadership of Roy Jenkins, many of whom would form the breakaway group to leave the Labour Party to establish the new SDP in 1981. In a similar manner to later European Common Market debates and divisions, *In Place of Strife* divided revisionist social democracy *within* itself and revealed something of its underlying tensions and emerging intellectual, political and organisational fragmentation.

## 'Undemocratic and unconstitutional'? Opposition to the Conservative government's Industrial Relations Act

Following Labour's subsequent election defeat in 1970, partly as a result of the failure and divisions of its own industrial relations legislation in 1969, reform of industrial relations was left to the incoming Conservative government of Edward Heath, although the privileged position of the trade unions in both the party and wider political economy remained a critical aspect of Labour's own internal debate and of the new revisionist social democratic critique of the Labour Party and traditional social democracy.[32] The new attempt to regulate trade union activity came in the form of the Heath government's 1971 Industrial Relations Act.

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Anthony Crosland Papers, 5/4, 'A. Crosland notes for Cabinet on Industrial Relations Bill', n.d. Strategically, he also appeared to be already heeding Callaghan's subsequent advice that he should 'establish [himself] in people's minds as a Party man, forever distinct from the 'Jenkinsite' Right'. In these and subsequent actions, he appeared eager 'to want to keep in touch with the centre of the party and not get isolated from it like some 'Jenkinsites'': Crosland Papers, 12/2, Bruce Douglas-Mann to Crosland, 6 January 1974; Crosland Papers, 4/9, Crosland to Philip Stewart, 13 July 1971; Crosland Papers, 2/4, Philip Williams to Crosland, 6 February 1973.

[32] Giles Radice, 'Trade unions and the Labour Party', *Socialist Commentary*, November 1970, 7-10

The substance of the new legislation again offered trade unions a combination of benefits and restrictions, but sought to introduce legal controls of industrial relations by the compulsory 'registration' of trade unions and the regulation of union-employer agreements, enforceable by fines or imprisonment. It included both the right to belong to a trade union and the right not to, a development 'which struck at the heart of the pre-entry closed shop which many unions had established'. Trade unions won the right of recognition and improved protection against unfair dismissal, but these had to be pursued as 'registered' unions through the new National Industrial Relations Court (NIRC) and the CIR. Unregistered unions lost tax concessions and were left open to unlimited claims for damages if they were accused of the 'unfair industrial practices' established in the bill.[33]

Inevitably, the much more complex and extensive proposals again aroused great trade union and Labour Party hostility. Trade union leaders felt they struck at the very heart of the gains and immunities won over seventy years of industrial struggle. The benefits were negligible and 'clamped in corporatist embrace and legal restraint'. The concept of registration particularly, in exchange for benefits or favours and in preference to penalties, was bitterly opposed by trade unions and interpreted as 'state-licence'. The TUC organised a 'Kill the Bill' demonstration in February 1971 and at a special conference the following month advised member unions to de-register.[34] The Labour Party was also very largely hostile to the legislation. Much of the dense, 'complex

[33] Phillip Whitehead, *The Writing on the Wall: Britain in the Seventies* (London, 1985), 70-1.

[34] Radice, *Industrial*, 71-75; Whitehead, *Writing*, 71-72.

package' of legislation was forced through the guillotine procedure in the House of Commons without debate. On one parliamentary occasion, the Labour opposition, incongruously led by Barbara Castle herself, voted solidly through twenty four divisions against a mass of clauses contained in the bill that there had been no time to discuss.

Some pro-reform revisionist social democrats were highly critical of Labour's obstructive tactics in opposition to the bill, particularly given that it reflected and 'partially implemented…Labour's own *In Place of Strife*'.[35] Nevertheless, the Industrial Relations Act was duly passed to a cacophony of Labour and trade union opposition to the new legal framework. Against a background of repetitive crisis and states of emergency, the industrial sector witnessed an intensive period of unrest and conflict from the autumn of 1971 that ultimately undermined and discredited important elements of the Conservative legislation, and it was repealed on Labour's return to office in 1974.[36]

As well as the inevitable opposition of the trade unions and the Labour left, it was particularly frustrating for 'radical' revisionist social democrats in the Labour Party who felt able to support notions of a new legal framework for trade union activity to see traditional centre-right figures such as Callaghan and even former revisionist social democrats such as Crosland, either explicitly or implicitly, resistant to all initiatives in this respect. Callaghan appeared to be moving further to the political left on industrial

[35] William Rodgers, *Fourth Among Equals* (London, 2000), 121; also see Hattersley, *Who*, 96-8; Dick Leonard, Interview, 23 January 2001; Marquand, *Progressive*, 195-6; Rodgers, Interview.

[36] Eric Heffer, *The Class Struggle in Parliament: Socialist View of Industrial Relations* (Littlehampton, 1973), 231; Whitehead, *Writing*, 72-80.

relations and trade union matters (as well as Europe) to meet the 'powerful new forces of industrial, political and generational revolt', and it was perhaps 'remarkable to see a former British Home Secretary defending the right of workers to resist the operation of 'bad laws' constitutionally passed through parliament'. Some even speculated that Callaghan was realigning himself with the new grass-roots radicalism to extend his lines of support within the wider Labour movement to promote a future leadership bid.[37] In truth, he was long perceived to belong to a 'generation of Labour leaders which had come to depend on the trade union block vote for protection against extremism in the constituencies', and the 'trade unions had provided his main political base in the previous decade', although now taking on new extreme form and features.[38]

Once again, the Conservative version of trade union reform revealed an emerging political schism (beyond the single European membership issue) *within* Labour's previously influential post-war revisionist social democracy. Previously influential revisionist figures such as Crosland again appeared to adopt something of the standard party line on the issue, increasingly at odds with the new post-revisionist approach to the party-union link and the conduct of industrial relations and regulation of trade union activity of the new 'radical' revisionist social democrats. While the former acknowledged some of the excesses and hazards of unrestricted trade union power, they also recognised the party and movement problems implicit in any attempt to reform the context of industrial relations. Like Callaghan, Crosland viewed the trade unions as representative

[37] Morgan, *Callaghan*, 383-5.

[38] Healey, *Time*, p. 467.

of Labour's wider political culture and working-class credentials and again as an effective safeguard against amplified left-wing influence in the constituencies.

Many of the latter lacked the same 'cultural' hostility to the notion of trade union reform, and emphasised the intrinsic similarity of the Conservative Industrial Relations Act to Labour's own *In Place of Strife* proposals. Their nominal leader, Roy Jenkins, pointed to Labour's 'irrational' and 'appalling ass' response in its 'frienzied' opposition to 'the Conservative government's Industrial Relations Bill as a monstrous piece of class oppression, despite the fact that it owed about 80 per cent of its inspiration to…*In Place of Strife*'.[39] John Mackintosh suggested that '[w]hilst the spirit of the document is fundamentally different from that of the Labour Government's White Paper…it contains a number of important recommendations which to a large extent coincide with or resemble those of the Labour Government (e.g. on a Code of Industrial Practice, on information to be supplied by the employer, to some extent on protection against unfair dismissal, and on recognition). It would be a mistake to reject it *in toto*. It should be fought on the essential points to which objections must be raised'.[40] Consequently, they argued a 'constitutional' line for their own lack of opposition to the Conservative legislation. Their general position was that 'Mr. Heath's…legislation on industrial relations seem[ed] to be just as sensible as the Bill which Mr. Wilson…proposed'. It was required if only to 'bring some discipline into the apparent chaos of trade unionism'.

[39] Roy Jenkins, *A Life at the Centre* (London, 1991), 322; Mackintosh, 'Britain's malaise'.

[40] Mackintosh Papers, 323/123, 'Memorandum on the consultative document on industrial relations', 1970-71; BLPES, Reg Prentice Papers, 6/5, 'Recollections of a Trade Unionist', unpublished manuscript, n.d, 9; *The Guardian*, 'The law and the prophets', 3 December 1970.

Increasingly for 'radical' revisionist social democrats, perceived domination of Labour by the trade unions meant that one of the party's initial assets was turning into a 'liability', and the restrictive practices associated with trade unionism were acting as a serious barrier to Labour's position as a party of government and of progress and reform.[41]

From this perspective, the increasingly enhanced and vocal role and influence of the trade union movement in both the Labour Party and the conduct of government industrial and economic policy represented a fundamental test of the democratic process itself. In the face of Labour's own failed attempt to reform the context and conduct of industrial relations, and against the background of intense opposition and hostility within the party and wider labour movement to subsequent Conservative trade union reform legislation, the Labour Party and revisionist social democracy remained divided on the 'trade union question' in British politics in the new radicalised industrial and political environment of the early 1970s. For 'radical' post-revisionist social democrats in the party sympathetic to the need for industrial and economic modernisation through reform, and eager to resolve the dangerous tension they foresaw between the extreme collectivism and pursuit of sectional interests in the enhanced trade union role in the party and society and questions of individual liberty and freedom, it was becoming apparent

[41] Churchill College, Cambridge, Michael Young Papers, YUNG 6/30, M. Young, 'Fully Adjusted Value: A new approach to inflation as a phenomenon with which we've got to live', 26 December 1970; YUNG 2/1/3, M. Young, 'Prospects Ahead', n.d; also see John P. Mackintosh, 'Anybody still for democracy? Troubled reflections of a Westminster M.P.', *Encounter*, November 1972, 24; Rodgers, Interview.

that the Labour Party may no longer be an appropriate social democratic vehicle by which to pursue these means.

**Labour government, the 'social contract' and 'government by trade union'?**

The period of Labour government from February 1974 worked only to harden respective views and positions on the 'trade union question'. It witnessed 'a high point of trade union influence' in an enhanced role for the trade unions through the prior establishment of the Labour Party-TUC 'social contract', agreed with the trade unions while in opposition to improve the sense of party and movement unity and electoral credibility and to provide a feasible wages agreement to help control high inflation and achieve sustained growth in the standard of living.[42] Originating in the new Labour Party-TUC Liaison Committee in 1971, the arrangement represented the internal settlement of the Labour alliance of party and trade unions after the divisions and rupture caused by the *In Place of Strife* conflict in 1969. Both parties agreed to adopt 'a wide-ranging agreement' over inflation and the cost of living involving wage restraint under a Labour government. In exchange, the Labour government would pursue economic and social policies congenial to the trade unions and their members in terms of conciliation and arbitration procedures in industrial disputes, redistribution of wealth and progressive social policies such as higher pensions.

[42] Ludlam, 'Norms', 223-224.

However, the specific industrial and economic arrangements of the Labour government in the 'social contract' reinforced misgivings about the industrial role of trade unions and about trade union political leverage through the Labour Party for those most concerned with the dangers of trade union collectivism and sectional interests. Moreover, the 'social contract' appeared to be incapable of dealing with escalating wage claims and spiralling inflation. For a short period between 1975 and 1978, the TUC's co-operation brought a degree of control but the accommodation was always predicated, on the trade union side, on the assumption of a return to free collective bargaining, but this assumption was not shared by some Labour government ministers and Members of Parliament (MPs), for whom it now represented a dated perspective inconsistent with the pursuit of policies conducive to the prosperity of the economy.[43] For 'radical' revisionist social democrats increasingly estranged from the restrictive 'values and "rules" of the Labour movement', the Labour-TUC 'social contract' represented a somewhat uneven agreement. While a prospective Labour government detailed its future programme, and in a way that arguably compromised its role as voice for the whole nation, the trade union side of the bargain was more ambiguous. It was viewed as a one-sided arrangement, by which the government fulfilled its obligations under the 'social contract' while the unions did little or nothing to respond', and as an agreement that should be taken to imply that the unions must never be criticised.[44] There was no mention of incomes policy, no reference to productivity, industrial efficiency or economic modernisation and little

[43] Minkin, *Contentious*, 210.

[44] Prentice, 'Recollections', 12-15; BLPES, Neville Sandelson Papers, 6/1, John Horam, 'The present situation', n.d.; Manifesto Group, 'Economic report by the Manifesto Group for meeting with Denis Healey', 27 February 1975 ', 10; Giles Radice, 'Social contract and community', *Socialist Commentary*, September 1976, 13-14.

attention to the generation rather than redistribution of wealth, all of which were becoming central themes of new post-revisionist social democratic political economy.[45]

On this reading, the 'social contract' represented a major disaster of the enhanced relationship of the trade unions with the Labour government after 1974. Its origins reflected Labour's perceived failure over the economy and industrial relations while in government between 1964-70, and it committed a Labour government coming to power in 1974 to a 'horrific manifesto which there was no chance at all of delivering in those circumstances'. The degree of 'radical' revisionist social democratic disenchantment with their party was evident in the belief of some that 'Labour did not deserve to win in 1974', given its 'behaviour on Europe and the inflationary social contract it had agreed with the trade unions', with the 'party's institutional links with the unions' clearly at its root.[46] In addition to shifting politically leftwards in opposition as a result of increased left-wing influence and activity in the constituencies and other organs of the party, it was now believed that Labour had become far too dependent on the trade unions. It was inevitable that Labour would be committed to repealing the Conservative Industrial Relations Act, although it owed many of its clauses to Labour's own failed *In Place of Strife* legislation. Moreover, the 'new' settlement with the unions extended well beyond the industrial sphere. A joint declaration of aims published in February 1973 included a wide-ranging system of price controls, big increases in public and social spending on pensions, health, housing and transport and substantial extensions of left-wing policies of public

[45] Stephen Meredith, 'Rethinking revisionist social democracy: the case of the Manifesto Group and Labour's 1970s "third way"', *Labour History Review*, 79, 2, (2014), 212-15.

[46] Rodgers, Interview; also see Rodgers, *Fourth*, 136-37.

ownership. The so-called ‘great compact’ of the ‘social contract’ between a future Labour government and the trade unions appeared to be a deal very largely on the unions’ terms. Labour was promising to deliver on a whole range of costly social expenditure; the unions merely agreed to take these commitments into account when bargaining for their members.[47]

It was in the context of the conflict and collapse of Heath’s Conservative industrial relations policy during 1973 to 1974, the three-day week and the national miners’ strike that the ‘social contract’ with the trade unions appeared as ‘a better way’ and ‘Labour’s only strategic option if it hoped to win the next election’, but for post-revisionist social democrats there was the distinct belief that ‘we had handed the economy over to the unions’, only adding pressure to public spending expectations and commitments in a highly unstable economic environment.[48] The uncomfortable and irrevocable truth for ‘radical’ revisionists looking to ‘modernise’ and ‘democratise’ Labour’s platform and commitments was now the belief that its leaders were in thrall to or fearful of ‘a number of dangerous beasts’ living further up the mountain who, in their new intimate relationship with an elected Labour government, were effectively governing the country; the bigger of these ‘were known as union leaders’.[49]

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[47] Radice, *Friends*, 213;

[48] Joel Barnett, *Inside The Treasury* (London, 1982), 49; Mackintosh, notes headed ‘Finance Bill’; also see James Callaghan, *Time and Chance* (London, 1987), 416-17; Morgan, *Callaghan*, 389-90; Robert Taylor, *The TUC: From the General Strike to New Unionism* (Basingstoke, 2000).

[49] Jenkins, *Life*, 427-8; Prentice, ‘Recollections’, 12-13. Prentice suggests that after Michael Foot became Employment Secretary, ‘the country was increasingly governed by the Jones/Foot axis. It was Jones who called the tune’. His own ‘divorce proceedings [from the Labour Party] were gathering momentum’.

**A 'brooding oppressive shadow'? Trade union collectivism, sectional interests and questions of 'freedom'**

Underlying the intensification of the 'trade union question' in the politics of the 1970s was increasing awareness of the tension between core concepts of 'freedom' and 'equality' in (post-) revisionist social democratic thought and practice. Amplification of the concept of personal freedom across a range of policy spheres had been a key tenet of Gaitskellite revisionism in the 1950s, which 'turned into one of the few clear success stories of the 1964-70 Labour Government'.[50] This conceptual dilemma was magnified for Labour's new factional social democrats in the 1970s as they reflected on 'the electoral liabilities of varying labour institutions'. A 'new and introspective awareness grew on the Right of the Labour Party of the trade-off between equality and liberty – a trade-off the older revisionist leaders, "children of the successes of war-time collectivism", had not fully appreciated', and if 'a choice had to be made between freedom and equality, then…[new] revisionists would plump for freedom'.[51]

Borrowing Michael Freeden's terminology, responses to the dilemmas of the 'trade union question' exhibited something of the internal conceptual morphology and

[50] Minkin, *Contentious*, 212-13; also see Stephen Haseler, *The Gaitskellites: Revisionism in the British Labour Party 1951-64* (London, 1969), 93; Roy Jenkins, The Labour Case (Harmondsworth, 1959), 135-46; Labour Party, Labour Party Annual Conference Report (LPACR) (London, 1956), 82-96; Socialist Union, *Socialism: A New Statement of Principles* (London, 1952), 32-37; Socialist Union, *Twentieth Century Socialism* (Harmondsworth, 1956), pp. 38-50.

[51] Minkin, *Contentious*, 212; Williams, Interview; also see Haseler, *Gaitskellites*, 93; Patricia Lee Sykes, *Losing from the Inside: The Cost of Conflict in the British Social Democratic Party* (New Brunswick, NJ, 1990), 39, 90-1.

conceptual evolution of revisionist social democracy.[52] It signalled the willingness of post-revisionist social democrats to undertake to reorder 'core' and 'peripheral' concepts as a process of its own internal ideological 'conceptual competition'. Positive tension induced by the inter-relationship and mutually-reinforcing nature of concepts of 'equality' and 'liberty' or 'freedom' was a recurring feature of revisionist social democratic thought developed through the work of Tawney, Crosland and others. Social democrats such as Roy Hattersley expressed a fundamental belief in the egalitarian foundations of a 'positive' conception of freedom. He was committed to the ethical framework provided by Tony Crosland: that socialism 'is about the pursuit of equality and the protection of freedom – in the knowledge that until we are truly equal we will not be truly free' and that 'the good society is the equal society'.[53] Influenced by Tawney, Crosland and, to an extent, John Rawls, his position involved absolute loyalty to the idea and 'first political obligation' of 'creating a more equal society'.[54]

In contrast, a keener sense or perception of the limits and potential dangers to 'liberty' or 'freedom' of unfettered egalitarian principles manifested in unconstrained trade union collectivism or the impulsive redistribution of material wealth based on punitive taxation and high levels of public expenditure is apparent in the 'exit' texts of those who founded the SDP. A common theme in this writing is that the interpretation of socialism as just 'equality' and equality only in terms of, for instance, distribution, reflects a narrow

[52] See Michael Freeden, 'Political concepts and ideological morphology', *Journal of Political Philosophy*, 2, 2 (1994), 140-64; *Ideologies and Political Theory: A Conceptual Approach* (Oxford, 1996).

[53] Hattersley, *Choose*, xix.

[54] Roy Hattersley, 'Why I'm no longer loyal to Labour', *The Guardian*, 26 July 1997.

definition that underplays the 'predisposition for liberty' of 'any thinking democrat'. The relentless pursuit of equality through distribution might be used as 'justification for abandoning liberty…to be sure of achieving equality'.[55] Potentially owing more to Evan Durbin than Crosland, whom some post-revisionist social democrats considered to be 'courageous and clear-headed…about the meaning of freedom', they claimed that individuals now desired more control of their own lives. This demanded greater attention to notions of individual freedom than hitherto in social democratic theory. Accordingly, the Labour Party should recognise that most individuals now placed personal consumption and individual freedoms above the pursuit of equality. It was a perspective that increasingly 'lacked any sense of Crosland's commitment to equality as the central feature of Labour's vision of the future'.[56]

A growing concern of post-revisionist social democrats, not always shared by more pragmatic centre-right colleagues, was the belief that, because of an 'overly intimate relationship with the trade unions, the government was moving in illiberal directions that were potentially dangerous to the principles of democratic government'.[57] Protracted controversy over issues emerging out of Michael Foot's new expanded 'closed shop' legislation and highly publicised cases of 'closed shop victimisation', such as that of the National Union of Journalists, also revealed antagonisms among 'radical' post-revisionist social democrats, who increasingly deemed the protection of liberal freedoms as the first

[55] Rodgers, Interview.

[56] Nicholas Ellison, *Egalitarian Thought and Labour Politics: Retreating Visions* (London, 1994), 200.

[57] Marquand, Interview.

priority.[58] Additionally, wider right-wing attacks on the trade union closed shop and collectivist values as a danger to personal liberty 'found an anxious sensitivity on Labour's Right', as it was acknowledged that the question of freedom was now high on the political agenda in Britain and across Europe 'with the ethical credentials of Socialism under scrutiny'. Although it remained 'unproven that the Labour Party will be incapable of redressing the balance between collectivism and individualism', that it 'required redressing was not in doubt'. For some, the next political priority 'should be to reassert the value of the freedom of the individual'.[59]

The first of these two interrelated concerns, the 'undemocratic and unconstitutional' dimensions of trade union power, particularly over a democratically elected government, remained a rallying call to the evolution of post-revisionist social democracy. Shirley Williams has explained that she:

> did not think the trade unions any more than…the CBI had any right to be part of a committee which determines the legislative programmes of

[58] Jenkins, *Life*, 427; Marquand, Interview; Williams, Interview.

[59] *The Guardian*, 16 September 1977; Mackintosh 'Liberty', 182-9; Minkin, *Contentious*, 213. Revisionist 'sensitivity' to the prospect of state and government 'overload', emasculation of the rule of law and the collective power of the trade unions and their 'illiberal' consequences was just one dimension of a far wider critique of these trends among others in the Conservative Party, the press and academia. Lord Hailsham, for instance, supported a proposal for a bill of rights in late 1974 as a potential check against the potential 'elective dictatorship' of a Labour government, and referred specifically to 'trade union legislation as likely to be caught' by a bill. Elements of the press similarly identified the dangers of unmediated collectivism and welcomed a charter 'specifically as a means of dealing with the victims of trade union legislation' Much of this wider critique (and potential solutions) found a reflective audience among post-revisionist social democrats.

> government…it is dangerous and corrupting. By late Wilson, '75-'76, the trade unions were actually calling the shots to a great extent in terms of what legislation they would accept and what they wouldn't…What they wouldn't accept was treated as [a]…veto, and…this was a very dangerous road to go…The central issue of the constitutional responsibility of the executive to parliament and not to any other body is…a very central principle…So the old trade union right did not see the point of people like…me who were saying that you mustn't have complete trade union power.[60]

Allied to this was a supreme belief in and support for the 'rule of law'. In cases such as the so-called Shrewsbury Two', jailed for picketing offences in late 1973, and the rebel Clay Cross councillors, penalised for defiance of the Conservative Housing Finance Act, Jenkins and his followers were clearly of the view that 'no-one is entitled to be above the law'. In the former case, Jenkins, now in his second stint as Labour Home Secretary in early 1974 and under pressure to automatically release the jailed pickets, argued that the 'Shrewsbury Two were claiming to be above the law at a time of great trade union power', in the face of opposition from the Labour left, the TUC, and more 'traditional' centre-right colleagues in Cabinet.[61]

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[60] Williams, Interview; Shirley Williams, 'The new authoritarianism', *Political Quarterly*, 60, 1 (1989), 6.

[61] Jenkins, *Life*, 391-93 Marquand, Interview; Prentice, 'Recollections', 9; Prentice Papers, 6/17, 'The Rubicon Papers', unpublished manuscript, n.d. Such issues represented a 'test case' for some who were increasingly concerned with the threat from extremist trade union activity to the 'rule of law'. Although they were critical of the more excessive 'legalistic' provisions of the Conservative Industrial Relations Act, observation of the rule of law remained paramount: in 'a democracy we have the right to campaign for changes in the law'. In the meantime, 'we should obey the law, however bad it may be. This is the only

A re-evaluation of the wider economic role of trade unions in the face of damagingly high levels of inflation and public spending also remained essential to the evolving 'small "l" liberal wing of social democrats'. Even more vital to some were the perceived dangers of related 'libertarian aspects of trade union power'. According to David Marquand:

> the trade unions got into an extremely bad attitude in that period from the point of view of freedom of speech and conscience, and…the attitude of a large number of members of the cabinet on the right…what I used to think of as the Callaghan right didn't care about all this…they were anxious to get the approval of Jack Jones and Hugh Scanlon to the incomes policy and they didn't mind how many concessions they made to illiberal policies in other fields…I think that was quite an important distinction between Crosland and Jenkins too.[62]

Although more extreme revisionist positions could 'overstate the influence of union leaders and…ignore the extent to which Scanlon and Jones played by the old "rules" of the relationship', perceptions of trade union power and 'claims of "solidarity" among some Labour ministers' continued to represent a stumbling block, even a 'brooding,

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basis on which democracy can survive. Large sections of the Labour Party and the Trade Union Movement rejected this basic concept during the early 1970s'.

[62] Marquand, Interview; Williams, Interview; also see William Rodgers, *The Politics of Change* (London, 1982), 107-8, 124. Marquand contends that it was the point at which Shirley Williams began to consider the need for some sort of political realignment in association with Jenkins.

oppressive shadow, whose approval was as undesirable as it was deeply resented', for 'radical' post-revisionist social democrats ready to 'shed the socialist ascription'.[63] Apparent to all was the belief that the Labour Party now appeared to exist 'to give bribes to special people to achieve special objectives when these are damaging to the national interest'. The party and government was subject to the 'exercise of naked power by entrenched groups' able to pursue 'illiberal and sectional' policies 'contrary to the interests of the bulk of the people in th[e] country'.[64]

**Conclusion: a 'framework of defection'?**

Frustrated with the apparently unlimited expression of trade union influence within the party and wider industrial and economic sphere, the 'trade union question' remained a fundamental dilemma for Labour's nascent post-revisionist social democratic faction, not least because it possessed critical industrial and economic policy implications and symbolised a narrow, sectional, class-based outlook and commitments inconsistent with a modernised political economy. What they perceived to be a new way of institutionalising trade union power in the party and country also represented a potential threat to parliamentary democracy and accountability and to the increasingly important priority of

[63] Minkin, *Contentious*, 213-14, 220-5; also see Mackintosh, 'Has social democracy', 264; *The Observer*, 8 October 1972.

[64] Mackintosh Papers, 323/46, 'The shadow emperor has no clothes', n.d. [probably the beginning of the parliamentary session 1973-4]; 323/152, John Mackintosh, letter to a member of the public on his abstention from voting for the Dock Workers Regulation Bill, 23 November 1976; *Daily Express*, 12 November 1976; *Sunday Times*, 14 November 1976; *The Scotsman*, 11 November 1976; John P. Mackintosh, 'Is Labour facing catastrophe?', in Marquand, *John P. Mackintosh*, 177; Whitehead, Interview.

protection of liberal freedoms. Through the Labour Party and government's increasingly intimate links to the trade unions, they felt 'at the beck and call of vested interests and of further excessive demands for public expenditure commitments, while being unable to firm up a certain and lasting arrangement over industrial productivity and inflation'. The increasingly assertive trade union presence in the party was 'experienced by the Social Democrats not only in the obligations of policy but as an expression of class, style, and culture'.[65]

Reaction and responses to the case study episodes identified above formed part of an evolving wider new post-revisionist critique of the trade union role and influence in the Labour Party and British industrial, economic and social culture. According to this critique, the trade unions represented a particular reflection of 'the national cultural weaknesses of conservatism and resistance to change'. It was the trade unions who were taking the Labour government 'down the path of a 'half-hearted statism', in which 'intervention was, more often than not, directed towards the subsidy of the inefficient', and which, in their present state, were a considerable constraint on industrial modernisation.[66] Consequently, for post-revisionist social democrats the 'trade union question' in British politics in the 1970s became one of how the Labour Party was to prise itself free of the constraints of trade unionism which, in turn, became linked to a

[65] Minkin, *Contentious*, 214; also see David Marquand 'Inquest on a movement: Labour's defeat and its consequences', *Encounter*, July 1979, 13-14; Shirley Williams, 'new authoritarianism', 4-9.

[66] Manifesto Group, *What We Must Do*, 14; *The Guardian*, 9 March 1977; Mackintosh, 'Britain's malaise'; Rodgers, *Politics*, 94-106.

second question of how to achieve a realignment of British politics and a change in the adversarial two-party system.

The question's formulation was partly a reaction to the development of the political role of the trade unions as effectively an 'estate of the realm' within a 'set of neo-corporatist arrangements', which made it important to have a more representative trade union leadership and a willingness to regulate on behalf of the public interest.[67] Some acknowledged that government with consent had to develop these processes and involve the trade unions as 'social partners' but critically, in a pluralist society, their 'leaders…have to win the agreement of their followers, and this is the central issue'. Moreover, post-revisionist social democrats sensitive to the narrative of British economic decline from the mid-1960s interpreted corporatism, with its emphasis on consultation and consensus, as a significant aspect of this decline. They argued that for any sort of revival, the primacy of corporatism must be discarded and democracy allowed to flourish.[68]

The question remained as to whether this could be accomplished within the confines of the Labour Party, or whether it would require an alternative, modernised vehicle of social democracy to 'open up' participation in the political sphere. It was their experience of Labour governments since the late 1960s which encouraged the belief that

[67] Mackintosh, 'Is Labour facing catastrophe', 177-78; also see Manifesto Group, *What We Must Do*, 33; David Marquand, 'Trying to diagnose the British disease', *Encounter*, December 1980, 78; David Owen, *Face the Future* (Oxford, 1981), 179-80.

[68] David Marquand, *The Unprincipled Society: New Demands and Old Politics* (London, 1980), 242-3; Owen, *Face*, 55; Shirley Williams, *Politics is for People* (Harmondsworth, 1981), 134.

an inherent danger to democracy, freedom and economic efficiency lay in the ability of the trade union movement to bend governments to their will or, at least, in the inability of the Labour Party and Labour governments to resist and regulate trade union influence and pressure. This 'rumbling concern' over trade union power in the Labour Party and over government moved to a climax in the ten years following Labour's failed *In Place of Strife* legislation in 1969, and the fact that Callaghan's Labour government in 1979 was essentially the third 'to have been destroyed…by the trade unions…raised a spectre which haunted the Social Democrats'.[69]

The seemingly irresolvable 'trade union question' in Labour and British politics from the late 1960s became a central feature of the collective reflections on philosophy, policy and party of Labour's 'radical' post-revisionist social democrats. Increasingly, they felt frustrated and constrained within the so-called "rules" of the Labour Movement'. It was the ensuing feelings of confinement and impotence over this and bitter internal disputes and divisions over membership of the EEC, intensified by subsequent intra-party constitutional debates and reforms, which themselves consolidated the institutional position and significance of the trade unions in the party, that provided a crucial 'sub-text' of their departure and the formation of the new SDP.[70] The apparent disparity between the values and preferences of modern social democracy and the enduring principles enshrined in these 'rules' now appeared to represent arguably the deepest gulf in British politics. It reflected the ultimate desire of the former to initiate a permanent

[69] See Minkin, *Contentious*, 211-12, 222-23.

[70] Mackintosh, 'Britain's malaise', Marquand, 'Inquest'; 'Trying to diagnose'; Minkin, *Contentious*, 209-10, 216-20.

shift of power from organised labour to democratic government, which would very likely now need to involve a departure from the present party system to strengthen the 'radical centre'.[71] In their current predicament, they were unable to 'initiate the industrial relations policies…or the incomes policy they felt to be necessary; nor could they produce a Bill of Rights. Each in some way breached the 'rules' of freedom', and they were now 'convinced that the Labour Party was beyond salvation for the sort of things that [they] believed in'.[72] With their subsequent defection to the SDP, the new Social Democrats could make the question of (restriction of) trade union power a central consideration and tenet of the new party's political identity in its founding statement, the Limehouse Declaration. It clearly signalled the tensions and dilemma of the enhanced trade union position in Labour's political culture and the deeper, longer-term roots of their departure from the Labour Party in 1981:

> A handful of trade union leaders can now dictate the choice of a future Prime Minister. The [1981 Wembley] Conference disaster is the culmination of a long process by which the Labour Party has moved steadily away from its roots in the people of this country and its commitment to Parliamentary government.[73]

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[71] Mackintosh, 'Britain's malaise', 'Is Labour facing catastrophe'; Marquand, 'Inquest', 16-17; 'Trying to diagnose', 81.

[72] Minkin, *Contentious*, 218-20; Marquand, Interview..

[73] University of Liverpool Library, David Owen Papers, D709 2/17/1/3, David Owen, Shirley Williams and Bill. Rodgers, 'Open letter to *The Guardian*', 1 August 1980; D709 2/17/2/5, Shirley Williams, Roy Jenkins, Bill Rodgers and David Owen, 'The Declaration for Social Democracy', 25 January 1981, which identifies aversion to the residual influence of a 'handful of trade union leaders' and the longer-term process of emasculation of notions of the national interest and democratic parliamentary government as significant concerns; Mackintosh Papers, 323/140, Bill Rodgers, 'Speech to the launch meeting of the

Campaign for Labour Victory', 19 February 1977; Stephenson, *Claret*, 185-6; Williams, Interview; Jenkins retrospectively expressed similar anxieties over proposals to extend trade union rights and powers which worked to promote sectional privilege and which were 'dangerously inimical' to core freedoms: Jenkins, *Life*, 419, 427.